Lessons Learned…
Stories from First-Time EDs

10:00am– 11:15am

Facilitator: Frederick W. Thieman, The Buhl Foundation

Speakers: Todd Owens, NonprofitTalent
Lisa Scales, Greater Pittsburgh Community Food Bank
Steven Sokol, World Affairs Council of Pittsburgh
Michelle McMurray, Mental Health America Allegheny County
Results of 2012 National Survey of 229 First Time Nonprofit Executive Directors
Who wouldn’t want to be an E.D.?

“The breadth of responsibility all on one person’s shoulders… without the mentorship and the support to know what mistakes you might be making, I mean, the liability is so huge I wouldn’t want it unless I really had help.”

Ready to Lead, 2008, CompassPoint
Overview

• Research Relevance/Context
• Methodology/Limitations
• Respondent Pool
• Findings
• Panel Response & Questions
Research Relevance/Context

• Why this research, why now?
• Aging leaders in the sector
• Daring to Lead – ‘01, ‘06, ‘11
• Ready to Lead? – ’08
• Table for Two – founder transitions
• Bridgespan coined term – “Bridgers”
• Vantagen’s work with leadership succession and executive recruitment
Methodology/Limitations

• Developed national advisory board
• Drafted survey with Coro Fellow
• Finalized survey with advisory board
• Identified national networks – Coro, Public Allies, City Year, Echoing Green, United Way, MSO’s/Statewide Associations, TFA
• Limitations – pool lacks some diversity
  – Unaffiliated individuals
  – Smaller, grassroots organizations
Demographics

Gender

- Male: 30%
- Female: 70%

We Share Your World.
Demographics – Race/Ethnicity

- Caucasian/Anglo: 77%
- African American: 11%
- Latino: 5%
- Other: 7%
Demographics – Education Level

- Bachelor's Degree: 34%
- Master's Degree: 51%
- PhD, JD or Other: 14%
- HS Diploma: 1%
Demographics – Size/Budget

$0 - $1M: 59%

$1.1M - $5M: 34%

$5.1M+: 7%

We Share Your World.
How did you become the ED?

- Founded the organization
- Promoted from within
- Hired from outside the organization
- Other – was on Board, consulting to the org.
Who did you replace?

- Founding E.D.: 13%
- Long-term Permanent E.D.: 26%
- Short-term E.D.: 26%
- Interim E.D.: 13%
- Other: 7%
- No one: 15%
Satisfied with total compensation?

- **No Compensation**: 2.60%
- **5 - Very Satisfied**: 19.60%
- **3 - Somewhat satisfied**: 29.70%
- **2**: 12.70%
- **1 - Not at all satisfied**: 5.70%
Do you have work/life balance?

- Yes: 44%
- No: 47%
- Not sure: 9%
Do you have a succession plan?

Yes, 13%

No, 87%
The case for succession planning

• The 13% with succession plans reported (when compared to those without):
  – Better work/life balance
  – 2X as many hired/promoted internally
  – Higher satisfaction with board performance
  – High % of positive interaction and involvement with predecessor during transition
  – Greater organizational understanding (finances, etc.) when stepping into new role
Level of support you’ve received from your board since hired

- 5 - Very supportive: 44%
- 4: 18%
- 3 - Somewhat supportive: 25%
- 2: 11%
- 1 - Not supportive at all: 2%
Bored of Directors?

Satisfied with your Board’s performance?

<table>
<thead>
<tr>
<th>Rating</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Not at all satisfied</td>
<td>4.80%</td>
</tr>
<tr>
<td>2</td>
<td>16.20%</td>
</tr>
<tr>
<td>3 - Somewhat satisfied</td>
<td>42.40%</td>
</tr>
<tr>
<td>4</td>
<td>28.40%</td>
</tr>
<tr>
<td>5 - Very satisfied</td>
<td>8.30%</td>
</tr>
</tbody>
</table>

We Share Your World.
Performance evaluation this year?

- No formal evaluation: 50%
- 5 - Very useful: 10%
- 4: 20%
- 3 - Somewhat useful: 20%
- 2: 10%
- 1 - Not at all useful: 0%
ED’s Self Reported Strengths

- Organizational strategy/vision – 55.9%
- Networking/external rel’s/partnerships – 55%
- Leading/managing staff – 31.4%
- General problem solving – 25.8%
- Fundraising – 25.8%
- Working with the board of directors – 25.8%
ED’s Self Reported Needs

- Fundraising – 50.2%
- Financial planning – 38%
- Marketing/communications/public relations – 32.3%
- Working with the board of directors – 30.6%
Professional Development

• **Effective Support**
  – Peer groups and networks - 74.2%
  – Topical workshops and conferences – 47.9%
  – Mentorship – 43.7%

• **Ineffective Support**
  – Behavioral assessments – 31.4%
  – Membership in professional associations – 31.4%
  – Topical workshops and conferences – 28.6%
61% of respondents were hired from outside the agency

- 31% of those came from private or gov’t sector:
  - More involvement as board member or volunteer before being hired
  - Only category more male than female
  - Financial planning is a weakness
  - Mktg/comm’s and external relations strengths

Outside the sector 31%
Within the sector 69%
## Time well spent?

<table>
<thead>
<tr>
<th>Functional Areas</th>
<th>Time Currently Spent</th>
<th>Satisfaction with time allotment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Networking/external relationships/partnership building – <em>most time spent, but need more</em></td>
<td>4.45</td>
<td>2.50</td>
</tr>
<tr>
<td>General problem solving – <em>2nd most time spent, want to do MUCH less of this</em></td>
<td>4.43</td>
<td>3.51</td>
</tr>
<tr>
<td>Fundraising – <em>need to do more of this</em></td>
<td>4.18</td>
<td>2.39</td>
</tr>
<tr>
<td>Working with the Board of Directors</td>
<td>4.13</td>
<td>2.74</td>
</tr>
<tr>
<td>Organizational strategy/vision</td>
<td>4.11</td>
<td>2.50</td>
</tr>
<tr>
<td>Leading and managing staff</td>
<td>3.99</td>
<td>3.08</td>
</tr>
<tr>
<td>Financial planning/budget development</td>
<td>3.98</td>
<td>2.95</td>
</tr>
<tr>
<td>Marketing/communications/public relations</td>
<td>3.82</td>
<td>2.82</td>
</tr>
<tr>
<td>Financial management</td>
<td>3.69</td>
<td>3.18</td>
</tr>
<tr>
<td>Program management</td>
<td>3.55</td>
<td>3.42</td>
</tr>
<tr>
<td>Hiring/developing staff</td>
<td>3.11</td>
<td>2.97</td>
</tr>
<tr>
<td>Public policy/advocacy – <em>least time spent, need MUCH more</em></td>
<td>2.82</td>
<td>2.33</td>
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</tbody>
</table>
First Timers vs. Daring to Lead (2011)

Our respondents reported:

• Peer learning more valued and effective
• Executive coaching more prominent for professional development
• Less work/life balance
• Same level of job happiness/satisfaction
• Board governance/performance metrics worse – fewer ED evaluations and less board satisfaction
So What?

- CEO turnover (particularly founders) will continue as economy improves
- First time CEO’s turning to informal peer networks for valuable learning
- Moving out to move up
- New leaders from outside of the organization will continue as boards seek new solutions to operational challenges
- Plan for your future – succession planning leads to healthy organizations
Thank you for your time and interest!

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Executive Transition Management and Retained Executive Search

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